

grant approval. The form specified in paragraph (c)(6), which is to be completed by the contractor (if any), does not need to be returned to the Agency, but must be kept on file.

(1) Form RD 1942–46.

(2) Form AD–1047.

(3) Form AD–1049.

(4) Either Form SF–LLL or Exhibit A–1 of RD Instruction 1940–Q.

(5) Form RD 400–4.

(6) Form AD–1048.

(d) *Grant approval.* The applicant will be sent a copy of the executed Form RD 1940–1, the approved scope of work, and Form RD 4280–2. Form RD 1940–1 must be signed by the applicant.

(e) *Grant agreement.* Prior to grant approval, the applicant must complete, sign, and return Form RD 4280–2. The grantee must abide by all requirements contained in Form RD 4280–2, this subpart, and any other applicable Federal statutes or regulations. Failure to follow these requirements may result in termination of the grant and adoption of other available remedies.

§ 4280.196 Servicing energy audit and renewable energy development assistance grants.

Energy audit and renewable energy development assistance grants will be serviced in accordance the requirements specified in Departmental regulations, 7 CFR part 1951, subparts E and O, and paragraphs (a) through (n) of this section.

(a) *Inspections.* Grantees will permit periodic inspection of the project operations by a representative of the Agency.

(b) *Programmatic changes.* The grantee shall obtain prior Agency approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope of work or budget may result in suspension, termination, and recovery of grant funds.

(c) *Changes in project cost or scope.* If there is a significant reduction in project cost or changes in project scope, the applicant's funding needs, eligibility, and scoring, as applicable, will be reassessed. Decreases in Agency funds will be based on revised project costs and other selection factors; however, other factors, including Agency

regulations used at the time of grant approval, will remain the same. Obligated grant funds not needed to complete the project will be de-obligated.

(d) *Transfer of obligations.* The grantee may request a transfer of obligation to a different (substitute) grantee. Subject to Agency approval, an obligation of funds established for a grantee may be transferred to a substitute grantee provided:

(1) The substituted grantee

(i) Is eligible;

(ii) Has a close and genuine relationship with the original grantee; and

(iii) Has the authority to receive the assistance approved for the original grantee; and

(2) The need, purpose(s), and scope of the project for which the Agency funds will be used remain substantially unchanged.

(e) *Financial management system and records.* (1) The grantee will provide for Financial Management Systems that will include:

(i) Accurate, current, and complete disclosure of the financial result of each grant.

(ii) Records that identify adequately the source and application of funds for grant-supporting activities, together with documentation to support the records. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

(iii) Effective control over and accountability for all funds. Grantee shall adequately safeguard all such assets and shall ensure that funds are used solely for authorized purposes.

(2) The grantee will retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least 3 years after completion of grant activities except that the records shall be retained beyond the 3-year period if audit findings have not been resolved or if directed by the United States. Microfilm copies may be substituted in lieu of original records. The Agency and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the grantee which are

pertinent to the specific grant for the purpose of making audit, examination, excerpts, and transcripts.

(f) *Audit requirements.* Grantees must provide an annual audit in accordance with 7 CFR part 3052.

(g) *Fund disbursement.* The Agency will determine, based on the applicable Departmental regulations, whether disbursement of a grant will be by advance or reimbursement. A SF-270 must be completed by the grantee and submitted to the Agency no more often than monthly to request either advance or reimbursement of funds. Upon receipt of a properly completed SF-270, the funds will be requested through the field office terminal system. Ordinarily, payment will be made within 30 days after receipt of a proper request for advance or reimbursement.

(h) *Deobligation of grant funds.* Funds remaining after all costs incident to the project have been paid or provided for are subject to deobligation.

(i) *Monitoring of project.* Grantees are responsible for ensuring that all activities are performed within the approved scope of work and that funds are only used for approved purposes. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, financial resources are appropriately expended by contractors (if applicable), and any other performance objectives identified in the scope of work are being achieved. The Agency will monitor grantees to ensure that activities are performed in accordance with the Agency-approved scope of work and to ensure that funds are expended for approved purposes. The Agency's monitoring of grantees neither relieves the grantee of its responsibilities to ensure that activities are performed within the scope of work approved by the Agency and that funds are expended for approved purposes only nor provides recourse or a defense to the grantee should the grantee conduct unapproved activities, engage in unethical conduct, engage in activities that are or give the appearance of a conflict of interest, or expend funds for unapproved purposes.

(j) *Federal financial reports.* A SF-425 and a project performance report will be required of all grantees on a semi-

annual basis. The grantee will complete the project within the total sums available to it, including the grant, in accordance with the scope of work and any necessary modifications thereof prepared by grantee and approved by the Agency.

(k) *Performance reports.* Grantees must submit to the Agency, in writing, semiannual performance reports and a final performance report. Grantees are to submit an original of each report to the Agency.

(1) *Semiannual performance reports.* Project performance reports shall include, but not be limited to, the following:

(i) A comparison of actual accomplishments to the objectives established for that period (e.g., the number of audits performed, number of recipients of renewable energy development assistance);

(ii) A list of recipients, each recipient's location, and each recipient's NAICS code;

(iii) Problems, delays, or adverse conditions, if any, that have in the past or will in the future affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation;

(iv) Percentage of financial resources expended on contractors; and

(v) Objectives and timetable established for the next reporting period.

(2) *Final performance report.* A final performance report will be required with the final Federal financial report within 90 days after project completion. In addition to the information required under paragraph (k)(1) of this section, the final performance report must contain the information specified in paragraphs (k)(2)(i) and (k)(2)(ii), as applicable, of this section.

(i) For energy audit projects, the final performance report must provide complete information regarding:

(A) The number of audits conducted,

(B) A list of recipients (agricultural producers and rural small businesses) with each recipient's North American Industry Classification System code,

- (C) The location of each recipient,
- (D) The cost of each audit,
- (E) The expected energy saved for each audit conducted if the audit is implemented, and
- (F) The percentage of financial resources expended on contractors.

(ii) For renewable energy development assistance projects, the final performance report must provide complete information regarding:

- (A) A list of recipients with each recipient's North American Industry Classification System code,
- (B) The location of each recipient,
- (C) The expected renewable energy that would be generated if the projects were implemented, and
- (D) The percentage of financial resources expended on contractors.

(l) *Final status report.* One year after submittal of the final performance report, the grantee will provide the Agency a final status report on the number of projects that are proceeding with one or all of the grantee's recommendations, including the amount of energy saved and the amount of renewable energy generated, as applicable.

(m) *Other reports.* The Agency may request any additional project and/or performance data for the project for which grant funds have been received.

(n) *Grant close-out and related activities.* In addition to the requirements specified in the Departmental regulations, failure to submit satisfactory reports on time under the provisions of paragraphs (i) through (m) of this section may result in the suspension or termination of a grant. The provisions of this section apply to grants and subgrants.

§§ 4280.197–4280.199 [Reserved]

§ 4280.200 OMB control numbers.

The information collection requirements contained in the regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB control numbers 0570–0050, 0570–0059, and 0570–0061. A person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

APPENDIX A TO SUBPART B OF PART 4280—TECHNICAL REPORTS FOR PROJECTS WITH TOTAL ELIGIBLE PROJECT COSTS OF \$200,000 OR LESS

The Technical Report for projects with total eligible project costs of \$200,000 or less must demonstrate that the project design, procurement, installation, startup, operation, and maintenance of the renewable energy system or energy efficiency improvement will operate or perform as specified over its design life in a reliable and a cost-effective manner. The Technical Report must also identify all necessary project agreements, demonstrate that those agreements will be in place, and that necessary project equipment and services are available over the design life.

All technical information provided must follow the format specified in Sections 1 through 10 of this appendix. Supporting information may be submitted in other formats. Design drawings and process flowcharts are encouraged as exhibits. A discussion of each topic is not necessary if the topic is not applicable to the specific project. Questions identified in the Agency's technical review of the project must be answered to the Agency's satisfaction before the application will be approved. The applicant must submit the original technical report plus one copy to the Rural Development State Office. Depending on the level of engineering required for the specific project or if necessary to ensure public safety, the services of a licensed professional engineer or a team of licensed professional engineers may be required.

SECTION 1. BIOENERGY

The technical requirements specified in this section apply to bioenergy projects, which are, as defined in § 4280.103, renewable system[s] that produce fuel, thermal energy, or electric power from a biomass source, other than an anaerobic digester project.

(a) *Qualifications of key project service providers.* List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.

(b) *Agreements, permits, and certifications.*

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase agreements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the